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February 2, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H. *je fielding mo*  
Director and Health Officer

SUBJECT: **REDUCED STATE FUNDING FOR THE HEALTH CARE PROGRAM FOR  
CHILDREN IN FOSTER CARE**

This is to inform you that on November 21, 2011, the Department of Public Health (DPH) received the attached notification from the State Department of Health Care Services (DHCS) on the fiscal year (FY) 2011-12 allocations for the Health Care Program for Children in Foster Care (HPCFC). The allocation letter represents the State's financial support for the HPCFC. Based on the letter, Los Angeles County's allocation of State General Funds for FY 2011-12 is \$312,352 less than received in FY 2010-11. The State funds are used to match federal Medicaid funds on a 25 percent to 75 percent basis which means that the total loss of the reduced allocation is \$1.22 million. The basis for the reduced allocation is lower child welfare caseload projections made by the California Department of Social Services (CDSS).

**Background**

The HPCFC program is a State mandated program designed to assist with meeting the medical, dental and developmental health needs of children and youth in dependency. Under Section 16501.3 of the Welfare and Institutions Code each county is required to "use the services of a foster care public health nurse" to coordinate health care services and serve as a liaison with health care professionals and other providers of health-related services. Under the HPCFC program, public health nurses (PHNs) consult with case social workers and/or probation officers to ensure that the children in foster care receive needed health services, including coordination with multiple caregivers, health care providers, agencies, and organizations. PHNs also assist with linking children with community resources that are needed to meet their health care service needs after they leave foster care; and collaborate with the foster care team to train foster parents, health care providers, and child welfare, probation, and juvenile court staff. Additionally, the HPCFC program maintains the child's medical and health information in the Health and Education Passport (HEP) system, as required by the State.

Funding for HPCFC is comprised of State General Funds appropriated to CDSS which are transferred to DHCS for matching up to 75 percent in federal Medicaid funds. In addition, the County has allocated some funding related to nurse salary costs above what the State funds

which are also matched up to 75 percent with federal Medicaid funds. Each year, DHCS provides an allocation letter to local health departments reflecting available funding levels for local HCPCFC. For FY 2010-11, total available federal, State and County funding for HCPCFC was \$12.20 million. Based on the DHCS allocation letter for FY 2011-12, total available funding will be \$10.97 million.

## Issues

*Caseload Estimates.* Although the basis of reduced DHCS allocation is estimated caseload declines, such declines in the County have not been experienced to the degree forecasted. We have communicated with DHCS to object to the manner in which the county allocations have been determined. DHCS has indicated that CDSS is not amenable at this time to revisiting the allocation methodology. DPH is working closely with the California State Association of Counties (CSAC) and the County Health Executives Association of California (CHEAC) to see if CDSS will revisit this issue.

*2011 Realignment.* The State-county program realignment enacted in 2011 has also affected the HCPCFC program. Specifically, the State General Funds that previously funded the program have now been replaced with Sales Tax revenues supporting child welfare programs affected by realignment. For FY 2011-12, the realigned program is being administered by DHCS as a status quo program. The fact that the HCPCFC was part of the 2011 realignment was only recently clarified by the State. It is possible that there are sufficient realignment revenues which could improve the financial footing for the HCPCFC program but this will likely not be addressed until FY 2012-13 funding is determined in the coming months.

*FY 2011-12 DPH Budget.* Upon notification of the State funding reduction, DPH implemented a freeze on the one vacant position in the HCPCFC program, and has maintained existing staff levels while seeking clarification from the State as to whether this cut was properly computed, and what the future of this program is in subsequent years.

Because this reduced allocation came well into the current fiscal year and there is little time to reduce staffing levels, and because it is unclear at this time what the funding level for the program will be in FY 2012-13, DPH will maintain the program through FY 2011-12. This will negatively impact the FY 2011-12 budget by up to \$312,352, however DPH is forecasting sufficient fund balance generated by savings in other operational areas to offset this funding loss. DPH will be able to use its existing County funds to access the federal Medicaid matching funds in the FY 2011-2 allocation.

*Impact to HCPCFC Program.* If the reduced allocation is made permanent and staff is reduced, the result would be a considerable cut in current health care coordination services to children and youth in out-of-home placement provided by the program. Specifically, we estimate that the program would provide 5,000 fewer case consultations with Case Social Workers; 4,000 medical reports would not be updated in a timely manner in the HEP; 4,500 medical referrals would not be coordinated with specialty care providers and families and; 8,000 periodic well child visits would not be coordinated and the findings of the visits recorded in the HEP.

*FY 2012-13 DPH Budget.* As noted above, the funding future of the HCPCFC program is subject to decisions between the State and counties regarding how the 2011 Realignment related to HCPCFC will work in FY 2012-13. DPH is working closely with the CSAC and CHEAC to see if the funding loss can be restored for FY 2011-12 or corrected for FY 2012-13.

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We will continue to keep you advised. If you have any questions or would like additional information, please let me know.

JEF:WLF:jw

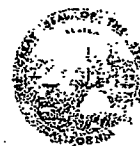
**Attachment**

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Interim Director, Department of Children and Family Services



Toby Douglas  
Director

State of California—Health and Human Services Agency  
Department of Health Care Services



Edmond S. Brown, Jr.  
Governor

November 21, 2011

CHDP Program Letter No: 11-14

TO: ALL CHILD HEALTH AND DISABILITY PREVENTION (CHDP) PROGRAM DIRECTORS, DEPUTY DIRECTORS, STATE CHILDREN'S MEDICAL SERVICES (CMS) STAFF AND DEPENDENT AND INDEPENDENT COUNTY OPERATIONS STAFF

SUBJECT: FISCAL YEAR (FY) 2011-2012 ALLOCATIONS FOR THE HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE (HCPCFC)

The purpose of this CHDP Program Letter is to provide CHDP local programs with their HCPCFC FY 2011-2012 allocations, which is the state share of the Medi-Cal Title XIX funds. The State General funds are to be matched with Federal Title XIX funds to supplement the HCPCFC Administrative Budget and are based on the Federal Financial Participation (FFP) guidelines found in the CMS Plan and Fiscal Guidelines (PFG). The allocation is based on county caseload data obtained from the Department of Social Services as of May, 2011. This caseload distribution is then applied toward the total State dollars available to determine the county allocation. See the enclosed funding allocation table.

Each local CHDP program is to carry out the HCPCFC as set forth in the CMS PFG. The primary responsibility of the HCPCFC Public Health Nurses (PHNs) remains that of administrative case consultation. By providing these services the PHN administratively coordinates the health care needs of children in foster care, including their developmental, dental and mental health needs. The PHN supports adherence to the health assessment periodicity schedule specified in the CHDP Health Assessment Guidelines, ensures that identified health needs are monitored, and supports continuity of health care services. The PHN, Social Worker, and/or clerical support update the CWS/CMS Health and Education Passport, including prescribed medications. The PHN/Social Worker share medical information where appropriate. The PHN consults with physicians and other medical and non-medical professionals regarding the health and well-being of children in foster care and in coordinating appropriate medical treatment.

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This Program Letter will serve as each local program's approved State General Fund (GF) portion of the HCPCFC No County/City Match Administrative Budget and enables each local program to use this letter to develop its budgets. **There will be no budget approval letters issued from CMS.** Each local program remains responsible for oversight and tracking its administrative and budget expenditures. As in previous years local programs will only be reimbursed for No County/City Match expenditures up to their authorized budget allocations. Each local program is authorized to claim Title XIX Federal funds to match its local funds in order to perform Early and Periodic Screening, Diagnosis, and Treatment administrative activities specifically for children and youth in foster care. Please refer to the CMS PFG for submission of county/city match budgets.

Local programs should follow the CMS PFG for budget submissions to CMS. Budgets for the HCPCFC are due 60 days from the release of all CMS allocations and the release of the PFG. Local programs that have previously utilized budget approval letters to submit to the county's authorized personnel will be able to utilize the attached County Allocation notice as documentation and verification of the GF Funds allocated.

Local programs that have questions regarding staffing, personnel changes, duty statements, memoranda of understanding, and other budget preparation items should discuss these with their CMS Nurse Consultant or administrative staff prior to submitting their budgets. All local programs must adhere to the CMS PFG for determination of enhanced and non-enhanced designation of staff and their activities as well as provision for FFP determination. Documentation for those staff that qualify for enhanced FFP and/or work on more than one program must adhere to the CMS PFG (Section 8) for time study requirements and guidelines.

All quarterly expenditure reports submitted for reimbursement must be based on accurate and auditable documentation. An audit file must be maintained by each county to support all quarterly expenditure reports, and shall include but not be limited to: time studies, when required and performed during at least one representative month of the quarter for each budgeted position for which FFP is claimed; documentation in support of travel and training costs; and other documents required to support the claimed expenditures. In addition, documentation of the methods used to claim internal and external overhead must also be maintained.

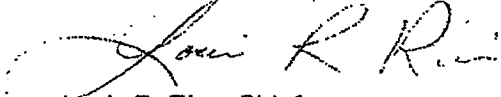
Acceptance of allocated funds constitutes an agreement that the receiving local agency will comply with all federal and state requirements pertaining to the HCPCFC Program and adhere to all applicable policies and procedures set forth by the Department of Health Care Services and CMS. Periodically the federal program responsible for oversight of state expenditures for the administrative costs for the management of the Medicaid program will conduct programmatic audits.

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Finding of a federal audit exception and subsequent liability for repayment of federal Medicaid funds relating to the HCPCFC audit exception, are the exclusive and sole responsibility of each local program.

A handwritten signature in cursive script, appearing to read "Louis R. Rico".

Louis R. Rico, Chief  
Systems of Care Division

Enclosure (Funding Allocation Table)

November 21, 2011

FY 2011-2012 CHILD HEALTH AND DISABILITY PREVENTION PROGRAM HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE (HCPFC) ALLOCATIONS		
	County	\$5,557,444
1	Alameda	\$137,769
2	Alpine	\$2,000
3	Amador	\$3,995
4	Butte	\$68,279
5	Calaveras	\$7,627
6	Colusa	\$3,027
7	Contra Costa	\$85,833
8	Del Norte	\$8,232
9	El Dorado	\$28,086
10	Fresno	\$221,907
11	Glenn	\$9,201
12	Humboldt	\$22,881
13	Imperial	\$24,818
14	Inyo	\$2,000
15	Kern	\$202,174
16	Kings	\$24,212
17	Lake	\$13,196
18	Lassen	\$5,327
19	Los Angeles	\$1,920,413
20	Madera	\$23,244
21	Marin	\$7,627
22	Mariposa	\$2,300
23	Mendocino	\$22,154
24	Merced	\$72,395
25	Modoc	\$2,000
26	Mono	\$2,000
27	Monterey	\$25,423
28	Napa	\$13,075
29	Nevada	\$8,474
30	Orange	\$245,989
31	Placer	\$25,544
32	Plumas	\$6,537
33	Riverside	\$387,158
34	Sacramento	\$332,074
35	San Benito	\$5,327
36	San Bernardino	\$324,447
37	San Diego	\$349,870
38	San Francisco	\$112,709
39	San Joaquin	\$111,135
40	San Luis Obispo	\$33,292
41	San Mateo	\$24,939
42	Santa Barbara	\$55,810
43	Santa Clara	\$99,755
44	Santa Cruz	\$22,639
45	Shasta	\$58,110
46	Sierra	\$2,000
47	Siskiyou	\$11,138
48	Solano	\$31,839
49	Sonoma	\$46,730
50	Stanislaus	\$60,168
51	Sutter	\$15,375
52	Tehama	\$17,675
53	Trinity	\$5,327
54	Tulare	\$85,107
55	Tuolumne	\$8,353
56	Ventura	\$84,042
57	Yolo	\$25,544
58	Yuba	\$10,048
59	City of Berkeley	\$9,080
	Total	\$5,557,444